

LNF & IHCIF Calculations Illustration

- Huron Potawatomi in Bemidji area -

Given Data

- 612 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 104.6% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- \$2,805 per person for purchased services = $90\% * 104.6\% * \$2,980$
- \$404 per person for in-house services = $10\% * 135.7\% * \$2,980$
- \$3,210 per person total = \$2,805 (purchase) + \$404 (in-house)
- **\$3,400 per person total** adjusted for health status = $\$3,210 * 105.9\%$
- **\$2,655 per person net cost** = $\$3,400 - \745 Other resources (M&M&PI)

Existing Expenditures (for 612 users excluding wrap-around and collections)

- \$860 per person = local IHS allowance (excludes \$ for wrap-around)
- \$94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,009 per person for OU users** = $\$860 + \$94 + \$54$

LNF Calculation

- **29.7% Gross LNF** = $\$1,009$ (expenditures) / $\$3,400$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **38.0% Net LNF** = $\$1,009 / \$2,655$ net cost ($\$3,400 - \745 other)

IHCIF Allocation

- \$357,538 = \$ to raise LNF% from 38.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$12,471 Allocation** = $\$357,538$ needed for 60% * 3.488% IHCIF fraction

Huron Potawatomi Unmet Needs

- **\$1,624,646 Net Total Need** = 612 users * $\$2,655$ net cost
- **\$1,007,397 Net Unmet Need** = $(100\% - 38.0\% \text{ LNF}) * 612$ users * $\$2,655$ net cost